

January 11, 2022

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre
Echelon Square
Colombo 01

Dear Sir

BROWNS BEACH HOTELS PLC
NON-COMPLIANCE ANNOUNCEMENT AS REQUIRED BY RULE 7.13.2
OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

In terms of Rule 7.13.2 of the Listing Rules of the Colombo Stock Exchange (CSE) it is hereby announced that, the Company has not maintained the minimum public holding percentage as stipulated by Rule 7.13.1(a) of the Listing Rules.

As required by the said Rule 7.13.2 we give below the information pertaining to the public holding of the Company as at the end of the third quarter of the year 2021/2022:

(i)	Float Adjusted Market Capitalization	-	Rs. 149,356,562/-
(ii)	Public Holding Percentage	-	9.22%
(iii)	Number of Public Shareholders	-	2,629

The proposed Rectification Plan to be adopted by the Company in order to comply with Rule 7.13.1 is outlined below:

- (a) Melstacorp PLC, Aitken Spence Hotel Holdings PLC and Stassen Exports (Private) Limited, the three largest shareholders of the Company, have agreed to divest, within a reasonable time, a minimum of 0.78% of the issued shares proportionate to their shareholding, on the trading floor of CSE in order that the Public Holding percentage of the Company could be increased to 10% of the issued shares.
- (b) Upon completion of the transfer of shares as aforesaid which results in the Public Holding being increased to 10% of the issued shares, the Company will request the CSE to transfer the Company's shares to the Diri Savi Board of the CSE.

Yours faithfully

AITKEN SPENCE CORPORATE FINANCE (PRIVATE) LIMITED
Secretaries to **BROWNS BEACH HOTELS PLC**



Benjamin Poopalapillai
Assistant Vice President – COMPANY SECRETARIAL DIVISION